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# Tobacco Settlement Trust Fund

Description	FY 2003 Approved	FY 2004 Proposed	% Change
Operating Budget	\$0	\$0	-

The mission of the Tobacco Settlement Trust Fund is to provide for the transfer of funds realized through the financing of the Master Settlement Agreement (MSA) with the tobacco industry.

In November 1998, the District, together with 46 state governments and other jurisdictions, signed an agreement that ended a four-year battle over medical treatment costs incurred for smoking-related illnesses. Under the MSA, tobacco companies are scheduled to pay \$253 billion over 25 or more years. The receiving governments may use the funds for any purpose, including issuance of revenue bonds. In FY 2001 the District securitized its settlement payments in exchange for a lump-sum payment to repay existing long-term debt and thereby generate relief from that debt service.

The 2001 District of Columbia Appropriations Act, as amended, required that all debt service savings resulting from the securitization of the tobacco settlement funds be transferred to the Emergency fund each year until it is fully funded (equaling four percent of the local expenditure budget). As a result of the transfer, no funding is recommended for the Fund in FY 2004.

## Gross Funds

The proposed budget is \$0, representing no change from the FY 2003 budget. There are no FTEs for this agency.

## General Fund

**Local Fund.** In FY 2004, no funds are available for the Tobacco Settlement Trust Fund.

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## Where the Money Comes From

Table TT0-1 shows the sources of funding for the Tobacco Trust fund.

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Table TT0-1

### FY 2004 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	Actual FY 2001	Actual FY 2002	Approved FY 2003	Proposed FY 2004	Change From FY 2003	Percent Change
Local Fund	0	0	0	0	0	0.0
<b>Total for General Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Gross Funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

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## How the Money is Allocated

Table TT0-2 shows the FY 2004 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

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Table TT0-2

### FY 2004 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2001	Actual FY 2002	Approved FY 2003	Proposed FY 2004	Change from FY 2003	Percent Change
50 Subsidies and Transfers	0	0	0	0	0	0.0
<b>Subtotal Nonpersonal Services (NPS)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Total Proposed Operating Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>